BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the matter of: Rural Health Care Support Mechanism, Rural Area Definition	WC Docket No. 02-60

COMMENTS OF THE IOWA UTILITIES BOARD

Introduction

On November 17, 2003, the Federal Communications Commission (Commission or FCC) released a *Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking* in WC Docket No. 02-60. The order included several changes to the Rural Health Care Program and asked for comments regarding: 1) the definition of "rural area" for the rural health care universal service support mechanism, 2) whether modifications to the rules are appropriate to facilitate the provision of support to mobile rural health clinics for satellite services, and 3) ways to streamline further the application process and expand outreach efforts. These comments of the Iowa Utilities Board (IUB) will be limited to the topic of what should be the definition of a "rural area."

Under the current rules, a community is considered to be rural if it is located in a non-metropolitan county as defined by the Office of Management

and Budget or is specifically identified in the Goldsmith Modification to 1990 Census data published by the Office of Rural Health Care Policy (ORHP). However, ORHP no longer uses this definition and there will be no Goldsmith Modification to the most recent 2000 Census data. Commenters have proposed replacing the current definition with either (a) the definition specified by the Census Bureau or (b) the Rural Urban Commuting Area (RUCA) system currently used by ORHP.

Discussion

The Commission's current definition of a rural area includes areas that are non-metropolitan as described by the OMB. This would include counties that are not defined as a Metropolitan Statistical Area (MSA) (that is, a county with at least one Census Bureau-defined Urbanized Area of 50,000 or more population) or as Micropolitan Statistical Areas (Micropolitan). (A Micropolitan county is one that has at least one Census Bureau-defined Urban cluster with a population of at least 10,000 but less than 50,000, with an adjacent territory that has a high degree of social and economic integration with the cluster, as measured by commuting ties.)

There are two main arguments against continuing to use this definition. First, the current system only identifies cities of 50,000 or more and their outlying suburbs. This leaves the remaining nonmetro areas undifferentiated. Second,

the metro areas are identified by counties, which can cause problems for states that have very large counties.[1]

One proposed alternative is to use the definition of "rural areas" specified by the Census Bureau. Under this definition, rural areas would only include clusters of communities with fewer than 2,500 residents. If this definition is adopted, it is likely that many communities that are currently eligible under the old rule would no longer be able to participate in the program. For example, this definition would exclude communities that have a population between 2,500 and 49,999, even though these communities are considered rural under the existing definition.

This is troubling because communities of this relatively large size are more likely than the smaller communities to have eligible health care providers. For some states, using the Census Bureau definition would detrimentally affect the amount of funds be distributed into those states. This includes Iowa, which has a significant number of communities with populations between 2,500 and 50,000.

Another proposed alternative is to use the new definition used by ORHP, called "Rural-Urban Commuting Area Codes" (RUCA). This definition classifies U.S. census tracts on the basis of urbanization, population density, and daily commuting data from the 1990 decennial census.[2] This system uses the census tracts because they are the smallest available geographic building block. It uses

[1] Arguments found in the website: http://www.ers.usda.gov/briefing/rurality/ruralurbancommunitingareas/

[2] Ibid.

this data to develop 10 codes and 30 secondary codes. Codes 1 to 3 represent metropolitan areas, Codes 4 to 6 are large towns (with populations of 10,000 to 49,999), 7 to 9 are small towns (with populations of 2,500 to 9,999), and Code 10 represents rural areas. For purposes of the rural health care program, it is not clear to the IUB what codes would be eligible to participate in the program. If only communities that are classified under Code 10 are eligible, the results would resemble the results under the Census Bureau definition, which would disadvantage many states.

Conclusion

Each state is unique in how it is structured and what is considered rural. Additionally, there are many potential definitions beyond the two discussed above that could be used to define rural areas. It is very difficult to find one definition that works for every state's situation. The IUB supports flexibility by the FCC in determining new criteria for determining eligibility for the Rural Health Care Program. At minimum, the Commission should grandfather areas currently eligible to participate in the program. This will prevent harm to areas that have been receiving benefits over the last several years. This step, along with changing the definition from the current definition to one that looks not to counties to define metropolitan areas but to actual communities, would increase the amount of the funds committed in this program.

However, if the Commission decides not to grandfather the current rural areas receiving support, then the IUB would support retaining the current definition. Losing the eligibility of larger communities would have a negative impact on many states and on this program.

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